INSTRUMENT PREPARED BY VIRGINIA GAS AND OIL BOARD ORDER RECORDED UNDER CODE OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB 09/04/21-2516

ELECTIONS, UNIT: VCH-531109

(hereinafter "Subject Drilling Unit")

TAX MAP IDENTIFICATION NUMBERS:

TAX MAP IDENTIFICATION NUMBERS FOR ALL PARCELS AFFECTED BY THIS ORDER ARE SHOWN ON EXHIBIT (S) B, B-3 & E WHICH IS/ARE ATTACHED TO AND A PART OF THIS ORDER

REPORT OF BOARD

## FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on July 20, 2009 and recorded in Deed Book 469, Page 619 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on August 12, 2009, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.

## 2. <u>Findings:</u> The Board finds that:

- (a) The Board Order directed EQT Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
- (b) The designated operator filed its affidavit of mailing dated September 2, 2009, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;

- (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated August 2, 2010, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;
- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
- (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN 37660 (423) 245-6971, Attn: Debbie Davis, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
- 3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN 37660 (423) 245-6971, Attn: Debbie Davis, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
- 4. <u>Mailing of Order and Filing of Affidavit:</u> The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
- 5. <u>Conclusion:</u> Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
- 6. Effective Date: This Order shall be effective on the date of its execution.

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DONE AND EXECUTED this // day of, 2011, by a majority of the Virginia Gas and Oil Board.	a
Chairman, Bradley C. Lambert	
DONE AND PERFORMED this 14th day of July, 2011, by Order of the Board.	

Rick Cooper

(Acting) Principal Executive to the Staff, Virginia Gas and Oil Board

STATE OF VIRGINIA COUNTY OF RUSSELL

Acknowledged on this day of day of , 2011, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared Rick Cooper, being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane Davis Notary Public 174394

My commission expires: September 30,2013



EX 480P0 162

## VIRGINIA:

#### BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE: Application of EQT Production Company, for Forced Pooling of Interests in Unit Number VCH-531109 VGOB Docket No. VGOB-09/04/21-2516 in the Ervinton Magisterial District of Dickenson County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

- 1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
- 2. That the Order entered on July 20, 2009, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
- 3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
- 4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on August 12, 2009.
- 5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

1

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow as either unknown claiments or conflicting claiments under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

See Exhibit E

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.

NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

See Exhibit B-3



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That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this <u>2nd</u> day of <u>August</u>, 2010

Affiant

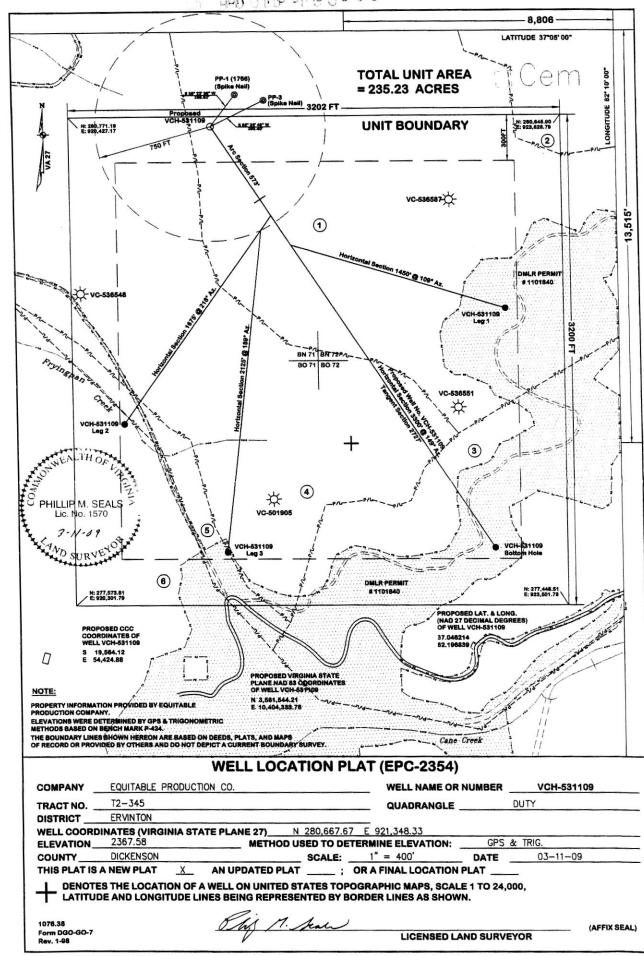
State of Tennessee ) County of Sullivan )

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of EQT Production Company, a corporation, on behalf of the corporation, this <u>2nd naturally</u> day of <u>August</u> 2010.

Susan Peterson, Notary ARY

My commission expires: October 24, 2012.

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## EXHIBIT PL-1

## Property Ownership Information for EPCO Well # VCH-531109

(1)

LEASE NO. 906889L / T-345
ARCH POWERS
164.45 ACRES
DICKENSON-RUSSELL COAL CO., LLC /
ALPHA LAND & RESERVES, LLC / ACIN, LLC /
WBRD, LLC - coal
RANGE RESOURCES-PINE MOUNTAIN OIL & GAS, INC. oil, gas & cbm
HEARTWOOD FORESTLAND FUND IV, L.P. - surface
GAS 86.81 AC. 36.91 %

(3

LEASE NO. 906889L / T-240
A. BREEDING
151.44 ACRES
DICKENSON-RUSSELL COAL CO., LLC /
ALPHA LAND & RESERVES, LLC / ACIN, LLC /
WBRD, LLC - coal
RANGE RESOURCES-PINE MOUNTAIN OIL & GAS, INC. oil, gas & cbm
GAS 38.15 AC. 16.22 %

(5)

LEASE NO. 906889L / T2-223 G.B. LAMBERT **10.03 ACRES** DICKENSON-RUSSELL COAL CO., LLC / ALPHA LAND & RESERVES, LLC / ACIN, LLC / WBRD, LLC - coal RANGE RESOURCES-PINE MOUNTAIN OIL & GAS, INC. cbm RANGE RESOURCES-PINE MOUNTAIN OIL & GAS, INC. -14 / 24 interest oil & gas (cbm). UNLEASED **Grover Smith** 03 / 24 interest oil & gas (cbm). **Alvah Dotson** 07 / 24 interest oil & gas (cbm). GAS 7.28 AC. 3.09 %

2

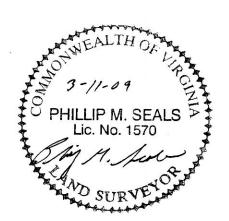
LEASE NO. 906889L / T2-161
RUSSELL POWERS
75.94 ACRES
DICKENSON-RUSSELL COAL CO., LLC /
ALPHA LAND & RESERVES, LLC / ACIN, LLC /
WBRD, LLC - coal
RANGE RESOURCES-PINE MOUNTAIN OIL & GAS, INC. oil, gas & cbm
HEARTWOOD FORESTLAND FUND IV, L.P. - surface
GAS 1.40 AC. 0.59%

4

LEASE NO. 906889L / T-239
F. T. ADAMS
262.68 ACRES
DICKENSON-RUSSELL COAL CO., LLC /
ALPHA LAND & RESERVES, LLC / ACIN, LLC /
WBRD, LLC - coal
RANGE RESOURCES-PINE MOUNTAIN OIL & GAS, INC. oil, gas & cbm
GAS 80.07 AC. 34.04 %

**6** 

LEASE NO. 906889L / T-463
HENRY KISER
1142.51 ACRES
DICKENSON-RUSSELL COAL CO., LLC /
ALPHA LAND & RESERVES, LLC / ACIN, LLC /
WBRD, LLC - coal
RANGE RESOURCES-PINE MOUNTAIN OIL & GAS, INC. oil, gas & cbm
GAS 21.52 AC. 9.15 %



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# EXHIBIT "B-3" VC-531109

TRACT	LESSOR	LEASE STATUS	INTEREST WITHIN <u>UNIT</u>	GROSS ACREAGE <u>IN UNIT</u>
		Gas Estate Only		
5	Grover Garland Smith HC 67, Box 209 Dante, VA 24237	Unleased	0.386250%	0.9100
	Alva Earl Dotson and Genola Lucille Dotson H/W HCR 01, Box 25 Cleveland, VA 24225	Unleased	0.901250%	2.1233
	TOTAL GAS ESTATE		1.287500%	3.0333

# VC-531109



<u>TR</u>	LESSOR	LEASE STATUS	INTEREST WITHIN <u>UNIT</u>	GROSS ACREAGE <u>IN UNIT</u>			
Gas Estate Only							
5	Grover Garland Smith HC 67, Box 209 Dante, VA 24237 TAX ID 21068	Unleased	0.386250%	0.9100			
	Alva Earl Dotson and Genola Lucille Dotson H/W HCR 01, Box 25 Cleveland, VA 24225	Unleased	0.901250%	2.1233			
	TOTAL GAS ESTATE		1.287500%	3.0333			
	Coal Estate Only						
5	Range Resources-Pine Mountain, Inc. ATTN: Jerry Grantham P.O. Box 2136 Abingdon, VA. 24212 TAX ID 21068	Leased 906889 T2-223	1.287500%	3.0333			
	TOTAL COAL ESTATE		1.287500%	3.0333			

Recorded in the Clerk's Office of Dickenson County

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICK presented in said office, and upon the certificate of acknowledgment thereto a tax imposed by Sec. 58.1-802.	KENSON COUNTY, Aug. 1, 20 11. This deed was this day nnexed, admitted to record at 4.24 o'clock AM, after payment of
Original returned this date to: DMME	BY: TESTE: RICHARD EDWARDS, CLERK



## Hagy, Sharon (DMME)

From:

VITASHARE System [vitashare@vita.virginja.gov]

Sent:

Wednesday, August 17, 2011 9:22 AM

To:

Hagy, Sharon (DMME)

Subject:

New Transaction O87QUQPDDNI3UXRM

Transaction details for Sharon Hagy(user shagy\_1) \_\_\_\_\_

Job Id: 087QUQPDDNI3UXRM

Date: Wed, Aug 17, at 09:21

Transaction Details:

Acknowledge Security Policy: I understand that this system is not intended for sensitive

data.

Recipient's Email example- <u>user1@virginia.gov</u>, <u>user2@virginia.gov</u>:

ATolman@eqt.com,gloria.clark@dmme.virginia.gov,KShannon@eqt.com,sep@wilhoitandkaiser.co

m

Message - Describe file attachment: Please see the attached recorded supplemental orders and one pooling order for the following dockets: 2203 2250 2274 2311 2492 2515 2516 2735 2886-

Pooling order Thank you, Sharon Hagy <a href="mailto:sharon.hagy@dmme.virginia.gov">sharon.hagy@dmme.virginia.gov</a>

Notify me when the file is downloaded?: Yes

Pin: 80368

#### Files:

2203\_Supplemental-Original.tif

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#### View details here

<http://vitashare.vita.virginia.gov/fcweb/viewJobLink.do?JOBIDX=087QUQPDDNI3UXRM>

Total Estimated File Size: 2622 KB

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Estimated Upload Time: 00:02:03